

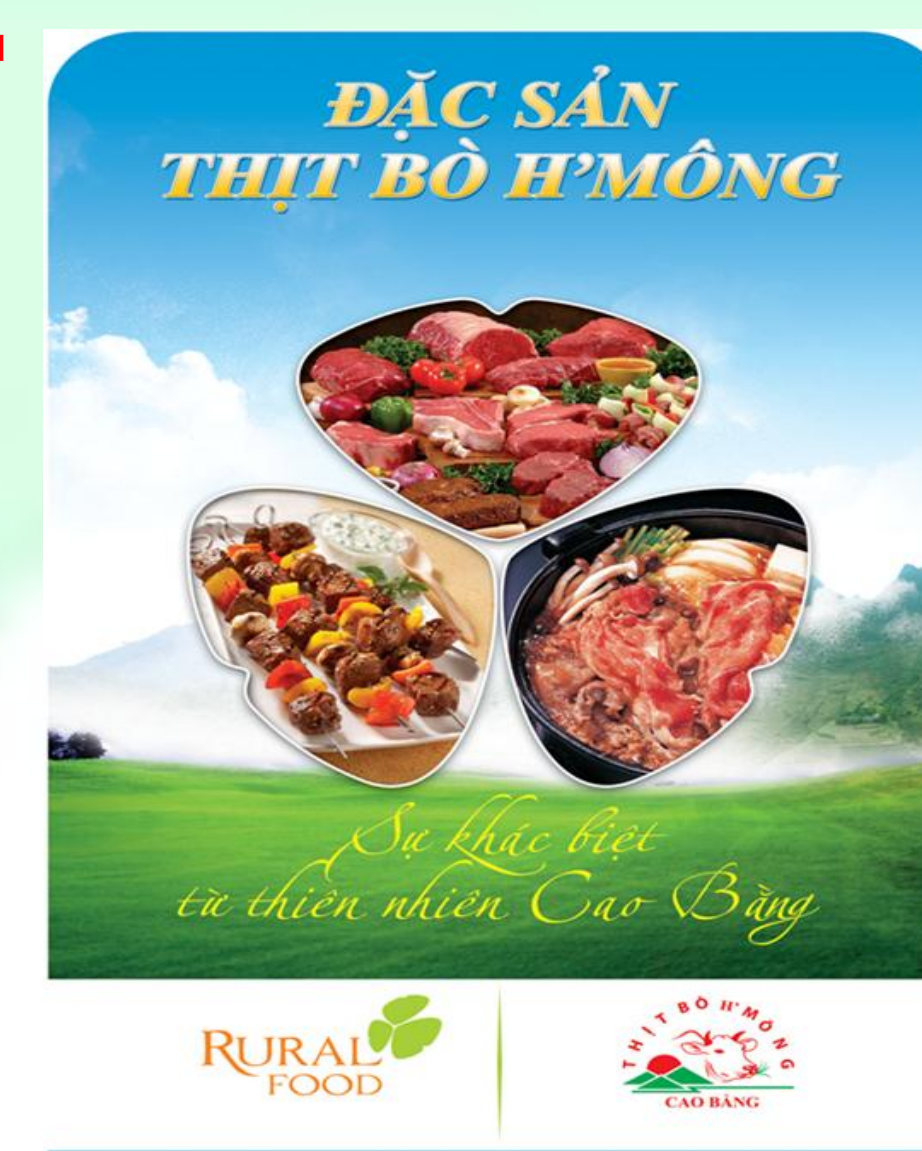
LINKING H'MONG BEEF TO HIGH - END MARKET

An action-research approach for farmer's organization development in mountainous area of the Northern Vietnam

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INTRODUCTION

Linking remote farmers to high value chains in the cities has been an emerging challenge in a changing market. Traditionally, in Cao Bang Province (a mountainous area in the Northern Vietnam) cattle production relies on individual households characterized by small-scale and scattered location. Cattle production brings the main source of income to H'mong ethnic group, who have given their name to this indigenous cattle race. H'mong beef breed has unique characteristics such as weighty body, bright red-coloured meat, smooth and flavorful after cooking and containing no residue of chemicals and heavy metals. However, most cattle are marketed through a traditional supply chain together with other animal types. As a result, the good quality of H'mong beef is not recognized by market stakeholders and urban end-consumers, and farmers cannot get fair price for high-quality product. In such a context, the key question is how to link the H'mong beef produced by small-scale farmers living in poor and remote rural areas to high-end market. This has been done by supporting the organization of voluntary cattle breeders into village-level "interest groups", improving the feeding system during the winter season, and by cooperating with other external stakeholders of the chain to improve their production and marketing. The building of a modern slaughterhouse was a key step in this value chain upgrading process. New marketing channels are in place. The actions have been supported by IFAD and CIRAD (Superchain project) and Cao Bang Province.

METHOD



2. Market appraisal: high demand on both quality and quantity, products ensured for veterinary hygiene and clear origin

→ Product distribution

- Many levels involved, live cattle are transported to other provinces
- The product has not been consumed much in other provinces
- There is no difference between H'mong beef and others on the market...
- Seasonality: after corn harvest from Lunar October to Tet holiday, selling volume rises
- Price is based on unclear estimation



→ High-end market: supermarkets, specialty food stores

- Buying volume of high-end customers is higher than ordinary customers (1.1 – 1.5 kg/person/month)
- Reason for choosing local beef for purchase: ensuring food safety (53%), tastefulness, convenience
- Perception of beef quality: feed utilized (40%) and product origin and label (50%)

→ Preference for high-quality products and consumers' confidence

- In accordance with procedures which ensure food hygiene and safety: 19%
- Awareness of product origin: 22%
- Purchasing from acquaintances 31%
- Certificate and acceptance of higher price: 22%

According to short survey of 100 consumers in stores which sold H'mong beef in Hanoi (2012), only 47 consumers were aware H'mong beef from Cao Bang and 90% supposed mountainous beef offers more deliciousness and higher quality

4. Initial economic efficiency

- Value added/ 1 kg of beef ranges from 30 to 40% in the last stage – consumption (on average: 40-50 thousand VND/kg)
- Farmers gain 5-7% more (equivalent to 7000 VND/kg)

CHALLENGES

- Stability of the commodity chain
- Direct competitiveness with China's product

RESULTS AND DISCUSSIONS

1. Production appraisal: Small-scale husbandry dominates

Households with scale of 1-2 head of cattle account for 42.86%, and sell 1 beef after 5 year



Households with scale of more than 8 head of cattle account for about 10% and sell 1.2 – 2.0 beeves/year



Households with scale of 3-7 head of cattle account for 50% and sell 1 beef after a year and a half

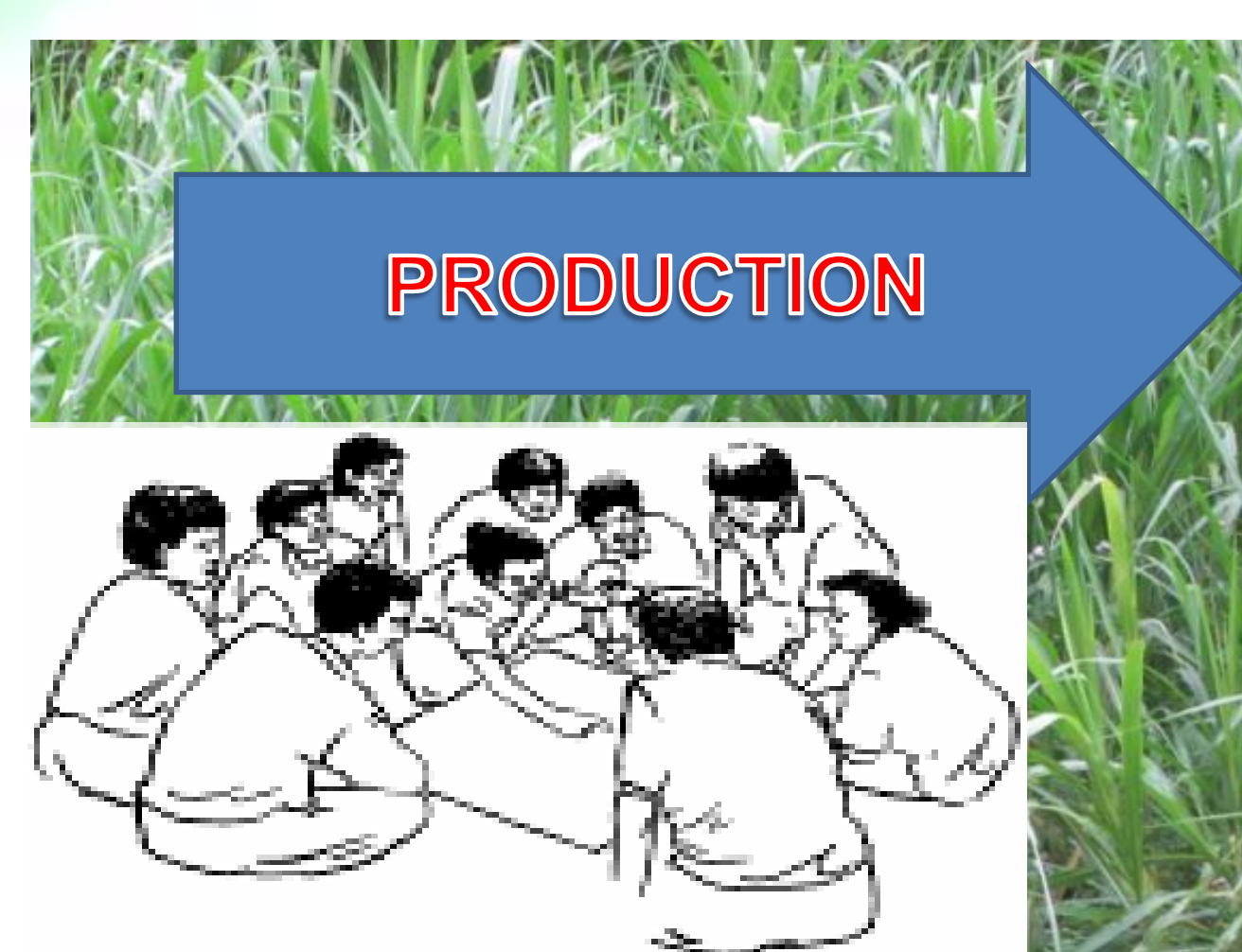


Natural environment, main feed is natural grass and corn



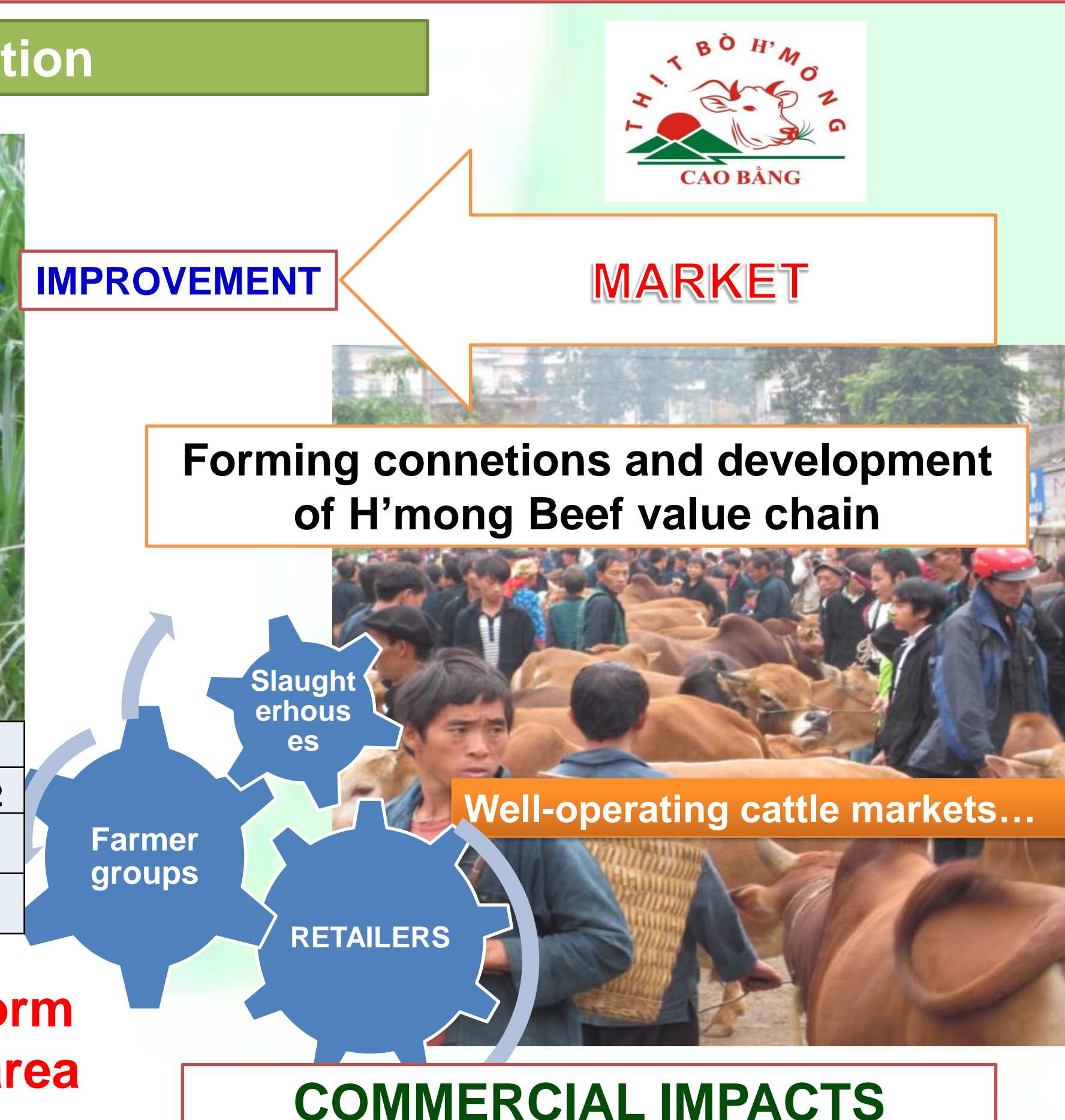
Production has not been market-oriented, there is no difference in product quality value in the market

3. Impacts and market organization

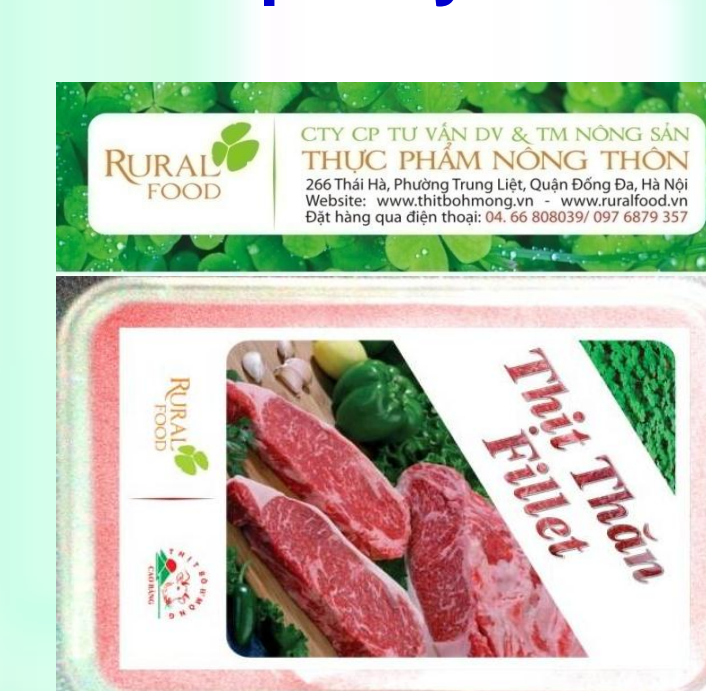
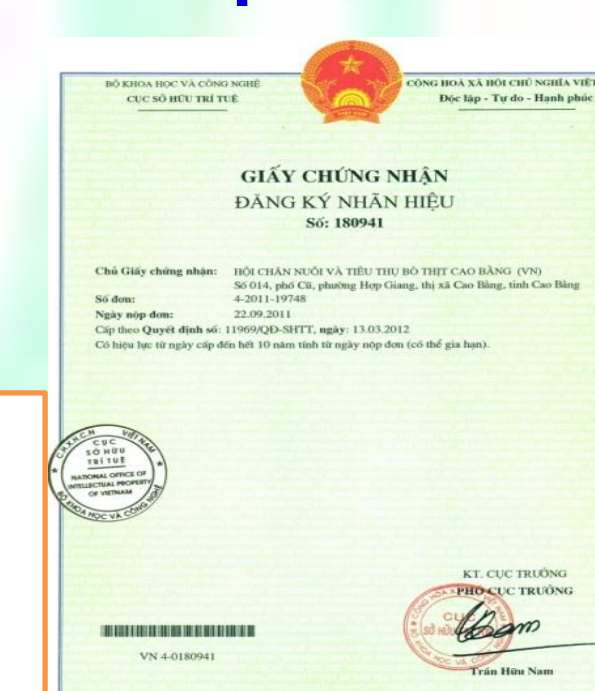


Farmers' organization		
Criteria	2007 -2009	2010 -2012
Number of groups	4	28
Number of households	103	452

Public-private partnership to form concentrated slaughterhouse area



Inspection of product quality



Label and certificate of collective mark



Establishment of chain for supermarkets and safe food stores